

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

EXPERIMENTAL PERIODICALS
CO-PALLETIZATION DROPSHIP
DISCOUNTS, 2002

Docket No. MC2002-3

FIRST SETTLEMENT STATUS REPORT
OF THE UNITED STATES POSTAL SERVICE
(November 8, 2002)

At the Prehearing Conference in this docket, the Presiding Officer asked the Postal Service to file a status report on settlement discussions in this proceeding, by today. Tr. 1/9-10. The progress toward settlement reported by the Postal Service at the Prehearing Conference is continuing.

The Postal Service circulated a second draft Stipulation and Agreement to all interested parties last week, and received mostly supportive comments. The Postal Service is planning additional discussions during the next two weeks with potential Periodicals participants, about what information they would be able to provide to support the Postal Service's data collection. The results of these discussions may lead to limited changes in the Stipulation and Agreement.

The Postal Service will report again no later than November 22, 2002.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

David H. Rubin

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2986, Fax -6187
November 8, 2002

David H. Rubin